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Message Text

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13
ORIGIN AF-18

INFO OCT-01 EUR-25 EA-11 ADP-00 AID-20 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-15

STR-08 CEA-02 L-03 /166 R

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7/31/73 EXT 28436
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AFR/CWA - MR. ELLIS (INFO)
---------- 105270
R 312324Z JUL 73
FM SECSTATE WASHDC
TO AMEMBASSY ACCRA
INFO AMEMBASSY LONDON
AMEMBASSY BONN
AMEMBASSY BERN
AMEMBASSY BRUSSELS
AMEMBASSY ROME
AMEMBASSY PARIS
AMEMBASSY OSLO
AMEMBASSY TOKYO
AMEMBASSY THE HAGUE

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E.O. 11652: N/A
TAGS: EFIN, EAID, PFOR, IBRD, GH
SUBJECT: GHANA DEBT: SHORT TERM DEBT AND FOREIGN EXCHANGE
RESERVES

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REF: ACCRA 4707

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1. MC GIBBON OF IBRD AND TOMKINS OF BANK OF ENGLAND PROVIDED CREDITOR REPRESENTATIVES WITH FOLLOWING STATUS REPORTS ON GHANAIAN SHORT TERM DEBT AND FOREIGN EXCHANGE RESERVES DURING LE QUESNE - SMITH VISIT TO ACCRA.

2. ACCORDING MC GIBBON, GHANAIAN TRADE CREDIT ARREARS NOW TOTAL DOLS. 170 MILLION. GOG REPAID DOLS. 25 MILLION IN TRADE CREDIT ARREARS PRIOR TO END JUNE AND WILL REPAY AN ADDITIONAL DOLS. 15-20 MILLION PRIOR END 1M73. ALL 180 DAY TRADE CREDITS OF 5,000 CEDIS OR LESS, WHICH HAD FALLEN IN ARREAR, HAVE BEEN REPAID. GOG NOW REPAYING TRADE CREDITS IN 5,000-10,000 CEDI BRACKET WHICH ARE IN ARREARS. GOG IS GIVING -SOME PREFERENCE TO THOSE CREDITORS CONSIDERED TO HAVE BEEN MOST HELPFUL ON SHORT TERM DEBT ISSUE (PRESWMABLY BY EXTENDING SOME ADDITIONAL CREDITS AND/OR EXPORT COVER).

3. TOMKINS ESTIMATED TOTAL SHORT TERM ARREARS AT 55.7 MILLION STERLING, FOLLOWING REPAYMENTS TOTALLING 10 MILLION STERLING. OF THIS 55.7 MILLION STERLING, 53 MILLION IS

TRADE CREDIT ARREARS AND 2.7 MILLION STERLING IS DIVIDENDS AND OTHER INVISIBLES FOR WHICH EXCHANGE CONTROL AUTHORITIES HAVE APPROVED REPATRIATION BUT HAVE BEEN UNABLE FURNISH FOREIGN EXCHANGE. TOMKINS SAID THERE IS AN ADDITIONAL 24 MILLION STERLING IN PENDING REPATRIATION APPLICATIONS, OF WHICH 20 MILLION STERLING IS DUE BRITISH FIRMS AND 400,000 STERLING IS DUE AMERICAN FIRMS. TOMKINS SAID GHANAIANS ASSURED HIM FUTURE REPAYMENT OF SHORT TERM DEBTS WILL BE ON A NON-DISCRIMINATORY BASIS.

4. MC GIBBON SAID GHANAIAN FOREIGN EXCHANGE RESERVES TOTALLED DOLS. 186 MILLION ON JUNE 30, 1973, AND THESE RESERVES CAN BE EXPECTED REACH DOLS. 200-215 MILLION BY END 1973. MC GIBBON OPINED THAT ALTHOUGH GHANAIAN ECONOMIC OUTLOOK IS GOOD, IT IS NOT AS SPECTACULAR AS BOOM IN COCOA PRICES WOULD SUGGEST, AS GHANAIANS SOLD MUCH OF CURRENT CROP FORWARD AT LOWER PRICES PREVAILING IN 1972.
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5. COMMENT - MC GIBBON ON VACATION AND THUS UNABLE FURNISH ANY ASSISTANCE RECONCILING HIS ESTIMATE OF OUTSTANDING TRADE CREDIT ARREARS WITH LOWER TOMKINS FIGURE. GIVEN MC GIBBON'S EASIER ACCESS TO GOG, DEPT. INCLINED PLACE GREATER CONFIDENCE IN HIS ESTIMATE, WHICH ALSO APPEARS MORE CONSISTENT WITH EARLIER IBRD ESTIMATES. WOULD APPRECIATE ANY CLARIFICATION EMBASSY ABLE OBTAIN

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FROM BOG. ROGERS

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